



GSK Consumer Healthcare

Friday, 21st September 2018



Cautionary statement regarding forward-looking statements



This presentation may contain forward-looking statements. Forward-looking statements give the Group's current expectations or forecasts of future events. An investor can identify these statements by the fact that they do not relate strictly to historical or current facts. They use words such as 'anticipate', 'estimate', 'expect', 'intend', 'will', 'project', 'plan', 'believe', 'target' and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. In particular, these include statements relating to future actions, prospective products or product approvals, future performance or results of current and anticipated products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, and financial results.

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A number of adjusted measures are used to report the performance of our business, which are non IFRS measures. These measures are defined and reconciliations to the nearest IFRS measure are available in our second quarter 2018 earnings release on page 39 and Annual Report on Form 20-F for FY 2017.

All expectations and targets regarding future performance should be read together with "Assumptions related to 2018 guidance and 2016-2020 outlook" on page 40 of our second quarter 2018 earnings release.

Global leader in Consumer Healthcare



>£7.8 billion net sales¹

Attractive returns

Strong portfolio



Competitive geographic footprint

Proven track record of delivery

Strong and increasing capabilities

1. 12 month net sales year ending 31 December 2017

Leadership positions in key categories and segments



Competing in a £135 billion global market

Global leadership

OTC



#1 in global respiratory¹

#1 in global pain relief¹

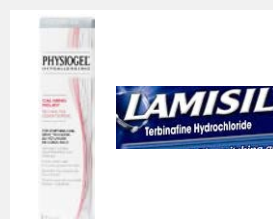
Oral Health



#1 in therapeutic oral health²

Regional leadership

Skin Health



Regional leader in skin health^{1 & 3}

Nutrition



#2 in Asia Pacific nutrition market³

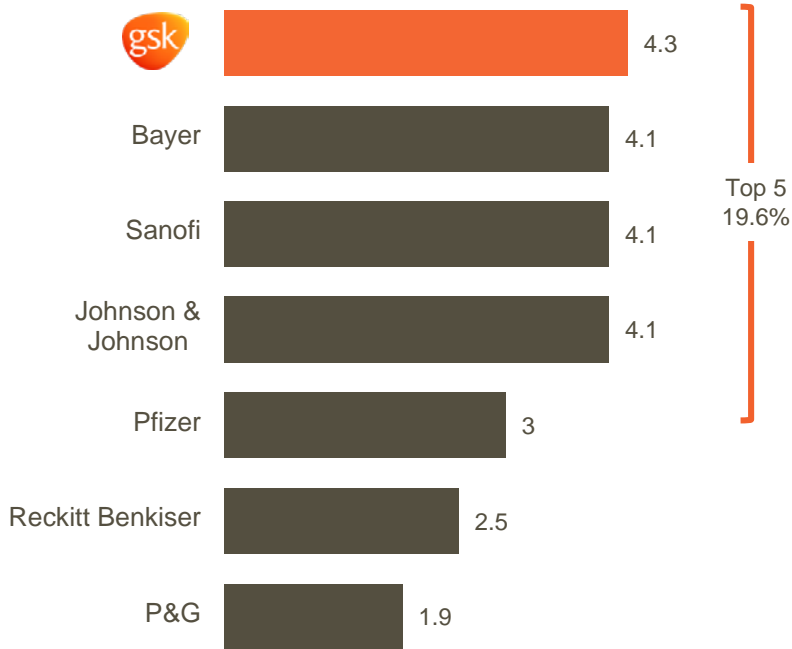
Global leader in OTC and therapeutic oral health



Competing in a £135 billion global market, including Skin and Nutrition

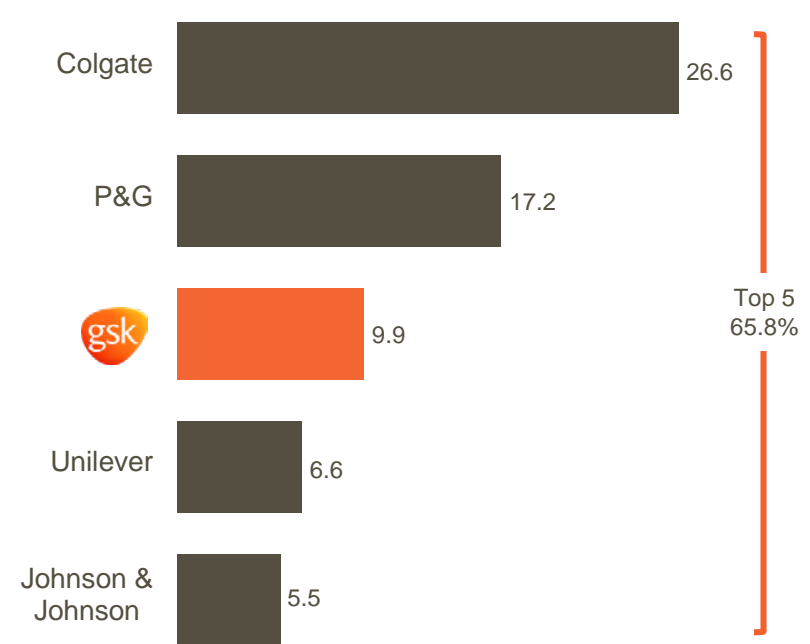
£99bn OTC market

Market share (%)¹



£22bn Oral care market

Market share (%)²



Consumer healthcare trends



Positive long-term drivers

Increasing health awareness and self care

77%¹ of consumers want to take more control over decisions about their health

Emerging middle class

Almost **2.4 billion**³ more emerging middle class consumers by 2030 vs 2015



Ageing population

1.4 billion² aged 60+ by 2030, an increase of 0.5 billion vs 2015

Innovation

Unmet consumer needs (switches, products, formats, channels, devices)

Sources of short-term variability



Seasonal

Timing and strength of allergy and cough/cold season

Switches

Growth followed by private label entry

Emerging market dynamics

Economic variability (e.g. Brazil, Saudi Arabia)
Government regulatory changes (e.g. Indian GST and demonetisation)

Emerging trends



Phenomenal digital opportunity

100 billion Google healthcare searches each year

e-commerce

A challenge and an opportunity

Emergence of local brands

Increased quality of local competition

Our Consumer Healthcare priorities



Our purpose:

to help people do more, feel better, live longer

Our strategy:

meet the everyday healthcare needs of consumers by building consumer preferred and expert recommended brands, differentiated by science and insight-driven innovation

Our priorities:

Innovation

- Brilliant execution of launches
- Strong, differentiated pipeline of consumer-led, science-based innovation and claims

Performance

- Sustained above market growth
- Competitive cost structure, margin and cash flow

Trust

- Reliable supply
- Improved reputation
- Highly engaged employees

A winning strategy for growth

Sustained above-market growth and strong operating margin progression



Performance



Building consumer preferred and expert recommended brands

Winning with shoppers, customers and experts

Accelerate Emerging Market growth

Seizing the digital opportunity

Drive gross margin improvement, operational efficiencies & cash discipline

Building consumer preferred and expert recommended brands



Power and core brands driving >90% of growth

Power brands

- Strong right to win
- Higher gross margin
- Global presence in >70 markets



Core brands

- Right to win locally
- Ability to be more nimble



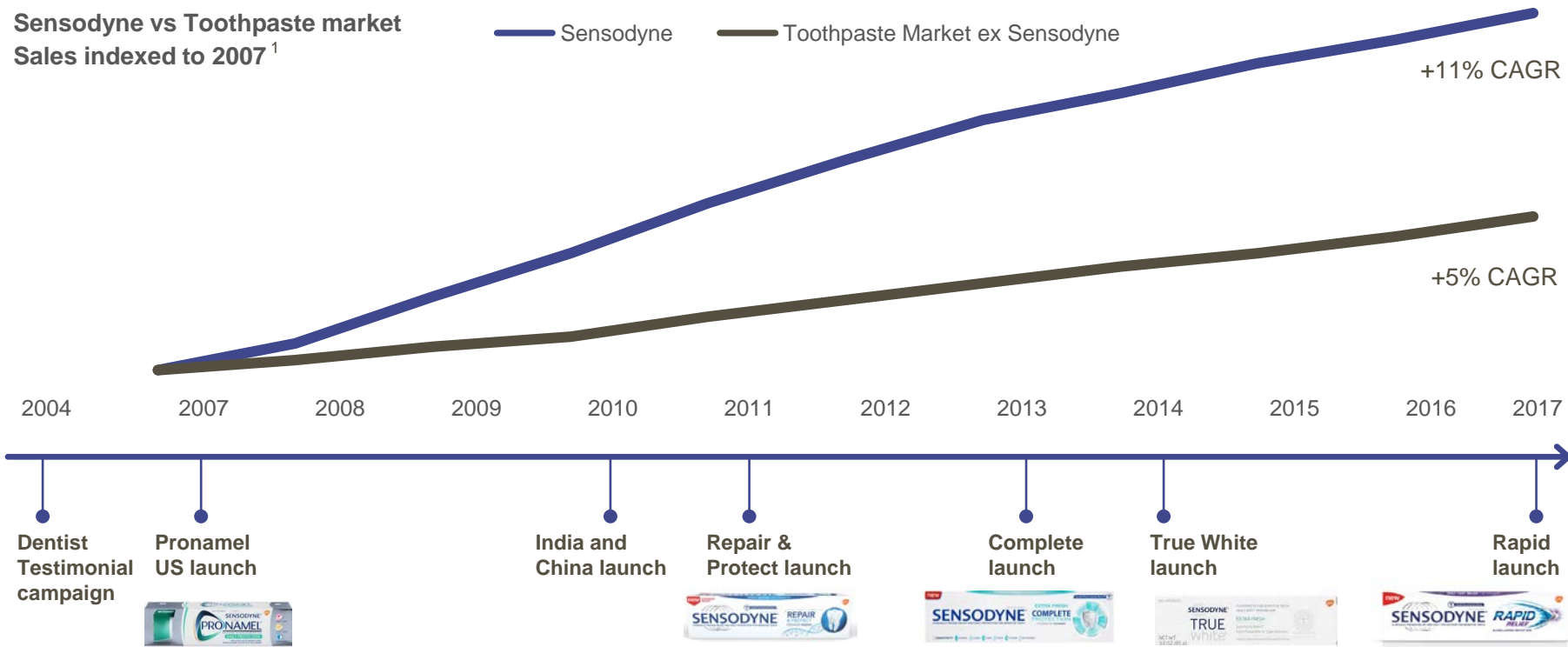
Building consumer preferred and expert recommended brands



Sensodyne: >£1 billion net sales and over ten years of double-digit growth

Sensodyne vs Toothpaste market
Sales indexed to 2007¹

— Sensodyne — Toothpaste Market ex Sensodyne



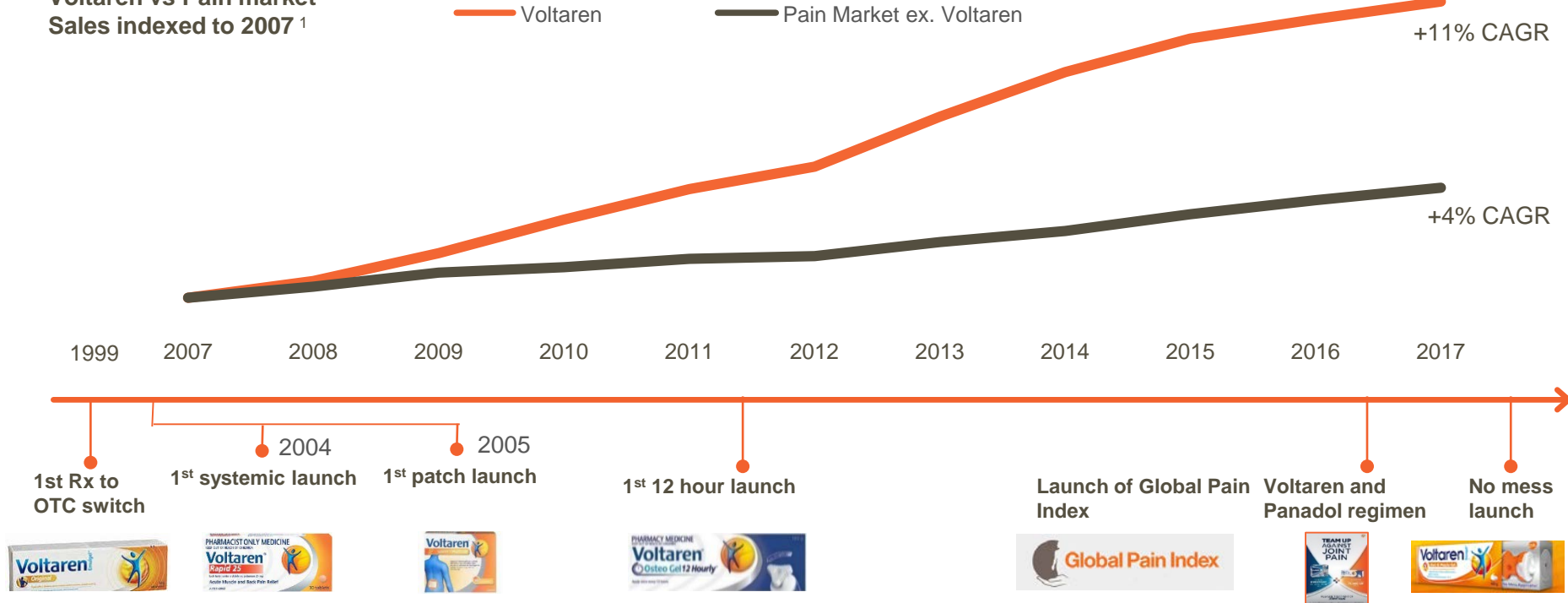
1. Euromonitor Data, CER

Building consumer preferred and expert recommended brands



Voltaren: creating the world's leading topical analgesic, >£600 million net sales

Voltaren vs Pain market
Sales indexed to 2007¹



1. Nicholas Hall DB6 CER

Role of the expert is critically important



70%¹ of OTC brands globally sold in pharmacies and drug stores

70%² of trial for Sensodyne is driven by dentist recommendation

Driving dental recommendation

Improving sales force execution

Business partner to retailers

Distribution management

Winning with shoppers, customers and experts



Go-to-market approach varies substantially by market



United States – mass retail

~70% of sales through top 6 customers



Germany – pharmacy

>50% of sales through independent pharmacies



India – distributors

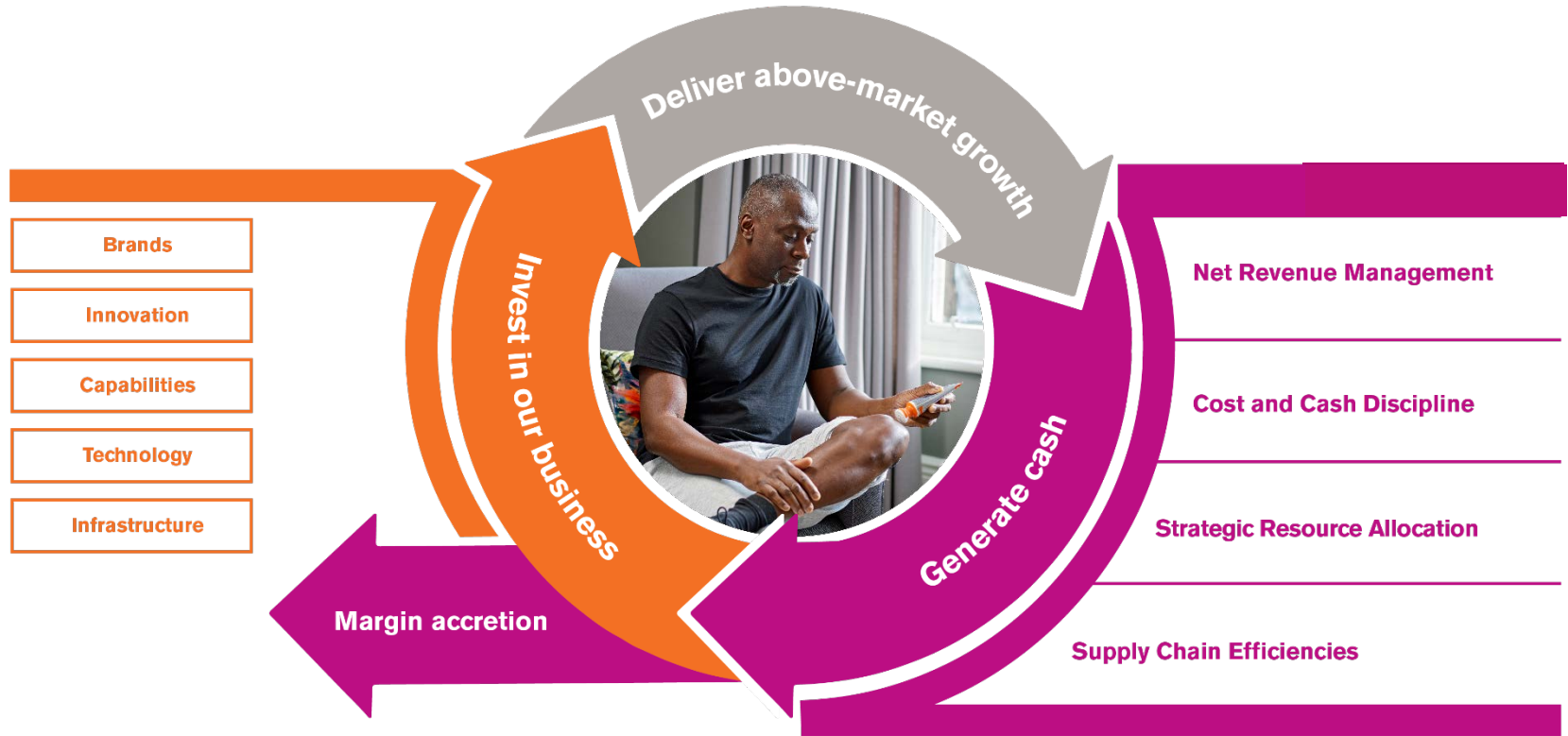
800,000 stores covered by GSK sales force with onward distribution to >4 million



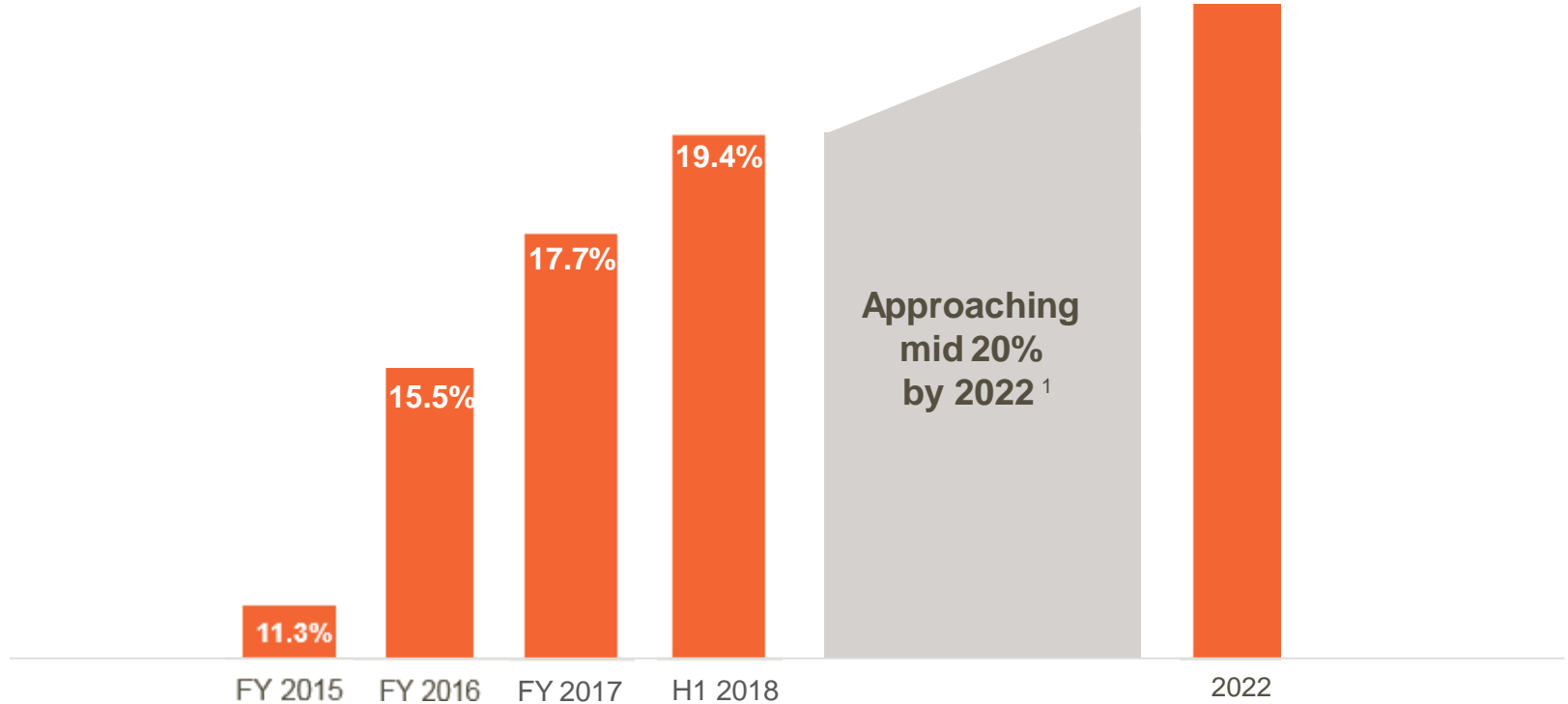
eCommerce

2% of global OTC sales¹ and 5.8% of total FMCG sales²
More developed in some markets like US and China

Drive gross margin improvement, operational efficiencies & cash discipline



Delivering sustained above-market growth with strong margin progression



¹At 2017 constant exchange rates. Expected 20%+ operating margin by 2020 at 2015 constant exchange rates.



Seizing the digital opportunity

Marc Speichert
SVP Digital, GSK Consumer Healthcare

Seizing the digital opportunity




Digital is **half**¹ of all media consumption

Almost **half**³ of offline sales are influenced by online information



When consumers go online, they consider **40%**² more brands

5.8%⁴ total FMCG sales via eCommerce (~**2%** for OTC)

A photograph of a family of three sitting on a brown leather sofa in a living room. On the left is a man with a beard, wearing a light grey sweater and blue jeans, smiling and looking towards the boys. In the middle is a young boy in a blue t-shirt, also smiling. On the right is another young boy in a red t-shirt, with his arm around the boy in the middle, looking towards the man. The background shows a white radiator, a yellow modern chair with a patterned cushion, and a green ottoman with books on it.

Building more meaningful consumer connections to fuel brand growth through data driven marketing

Our priorities



1

Upgrade
media ROI

Drive **financial efficiency** from
Digital media

2

Boost
eCommerce

Step **change sales**
with omni-channel
tactics

3

Efficient
content

Deliver **best in class creative**
effectively

+

Spark
disruption

Start **small** in
disruptive bet areas

ENABLER: Building capabilities to achieve best in class digital IQ

Voltaren Germany

Dynamic and sequential ads



A
B
C

DYNAMIC AD

	ARTHROSE IM HAND- GELENK?	STOPPT DEN SCHMERZ + BEKÄMPFT DIE ENTZÜNDUNG MEHR ERFAHREN >
	RÜCKEN- SCHMERZEN?	STOPPT DEN SCHMERZ + BEKÄMPFT DIE ENTZÜNDUNG MEHR ERFAHREN >
	NACKEN- SCHMERZEN?	STOPPT DEN SCHMERZ + BEKÄMPFT DIE ENTZÜNDUNG MEHR ERFAHREN >

1 2 3

SEQUENTIAL AD

	RÜCKEN- SCHMERZEN?	STOPPT DEN SCHMERZ + BEKÄMPFT DIE ENTZÜNDUNG MEHR ERFAHREN >
VOLTAREN IST DAS EINZIGE SCHMERZGEL	 MIT KOMFORT- APPLIKATOR	NEU mit Komfort-Applikator Saubere Hände MEHR ERFAHREN >
STOPPT DEN SCHMERZ + BEKÄMPFT DIE ENTZÜNDUNG VERANGKOSTENFREI BESTELLEN >	MIT KOMFORT-APPLIKATOR FÜR SAUBERE HÄNDE NEU VERANGKOSTENFREI BESTELLEN >	JETZT BESTELLEN UND DEN SCHMERZ STOPPEN VERANGKOSTENFREI BESTELLEN >

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ENABLER: Building capabilities to achieve best in class digital IQ

Boost eCommerce



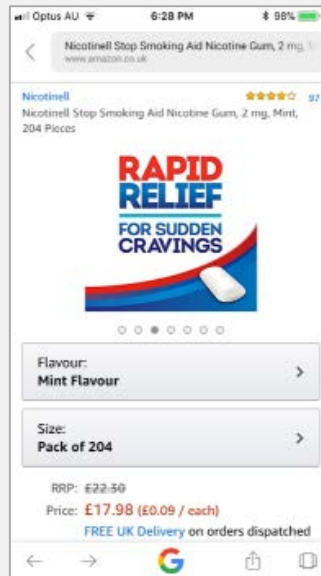
Building best in class executional capability that drives brand growth

drive Findability



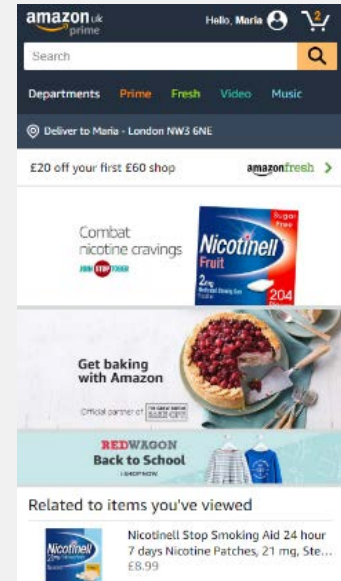
Keyword optimisation drives organic search improvements

improve Conversion



Content that informs and builds trust and equity to drive purchase

accelerate Performance



Category activations drive traffic and fuel organic efforts

Alli growing share through eCommerce activation



alli Diet Pills for Weight Loss, Orlistat 60 mg Capsules, Refill Pack 120 count by alli

★★★★☆ 3,054 customer reviews | 76 answered questions Amazon's Choice for "alli"

120 Capsules Refill Pack

allī[®]

Orlistat 60 mg Capsules
Weight Loss Aid

FDA approved
non-prescription
weight loss aid

Helps you lose more
weight than dieting alone

120 CAPSULES

Price: **\$56.90** (\$0.47 / Count) ~~\$59.89~~ \$2.99 (5%) & FREE Shipping. Details

prime | Try Fast, Free Shipping

In Stock. Ships from and sold by Amazon.com.

2 Sizes: 120 Count

60 Count 120 Count

Select in Old Packaging \$59.89 (\$0.50 / Count)

3 Styles: 120 Count

Select in 60 Count Select in 60 Count \$59.89 (\$0.50 / Count)

Subscribe & Save 5% 15%

\$56.90 (\$0.47 / Count) Save 5% now and up to 15% on auto-deliveries when you subscribe to 5 or more products. Learn more

One-time Purchase
\$59.89 (\$0.50 / Count)

Qty: 1 Deliver every: 1 month (Most common)

Subscribe now

Add to List

Share

HAVASU

About the product

- alli is an FDA approved weight loss supplement that helps block about 25 percent of the fat you eat from being absorbed
- Acts as an effective weight loss product and diet pill for both women and men
- For every 5 pounds you lose through diet and exercise, alli can help you lose 2 to 3 more
- alli weight loss supplement works in the digestive tract and is minimally absorbed into the bloodstream, so there are no direct effects on the cardiovascular or central nervous system
- alli capsules are a weight loss pill for overweight adults, 18 years and older, when used along with a reduced calorie and low fat diet

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ENABLER: Building capabilities to achieve best in class digital IQ

Headache visualisations / GIFS for social platforms



Instagram Stories

FRAME 1



FRAME 2



FRAME 3

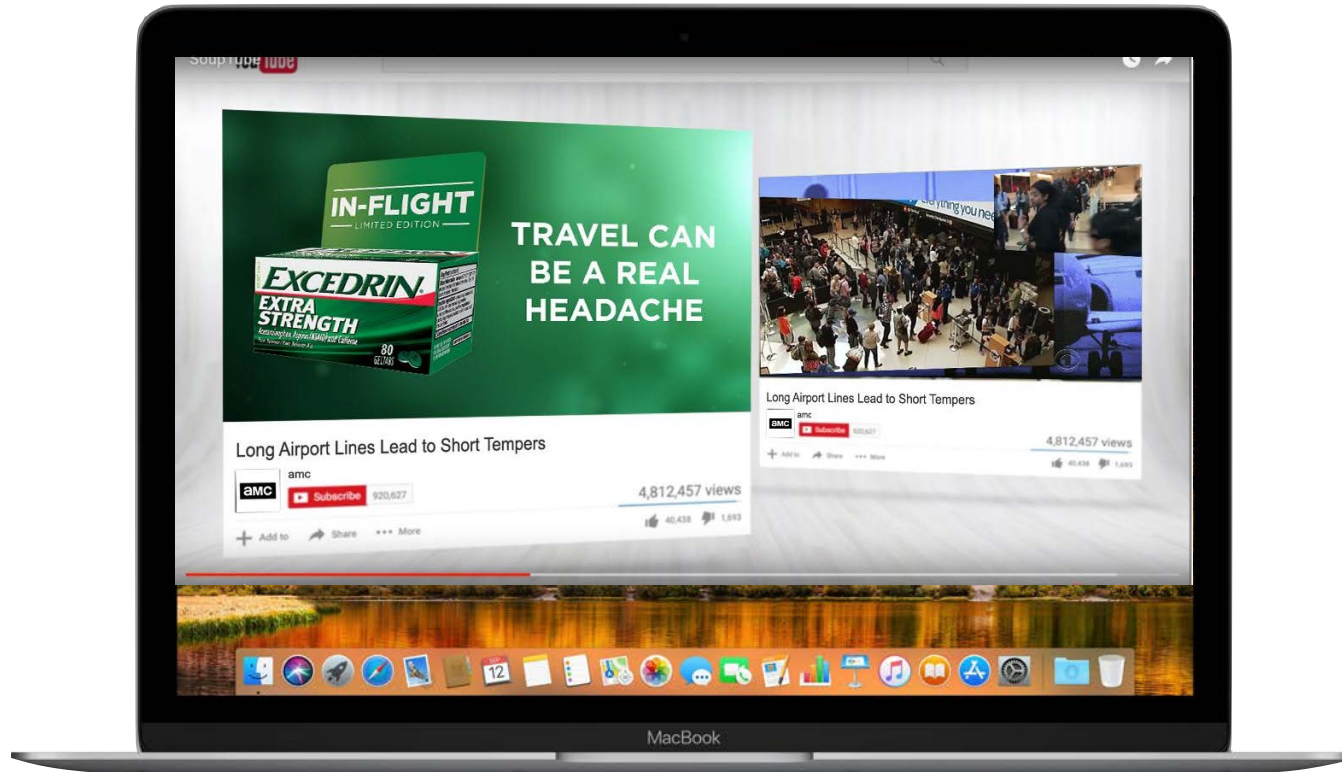


FRAME 4



Digital programmatic video

Excedrin pre-roll followed by contextually relevant video



The special editions

Messaged via social, digital and earned (PR) media



antoni • Follow

antoni #ad Tanny, I love you, but you trying to publicly french tuck my shirt is giving me a MAJOR headache. Because just about anything can bring on a headache, we're here launching @Excedrin's Limited Editions, customized for some of life's most relatable headaches. Grab yours at [excedrin.com](https://www.excedrin.com)!

Load more comments

maddied64 @carriblackmon ugh I want the life size ones @kat_shenk

reesewitherspoon • WHAT Is adulting Excedrin??? And why don't I have it!!! 🤔

2w 448 likes Reply

— View previous replies (2)

excedrin • We got you @reesewitherspoon! One order of headache relief coming right up! 😊

1w 45 likes Reply

— View more replies (4)

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ENABLER: Building capabilities to achieve best in class digital IQ

Bringing the outside in: Digital Advisory Board



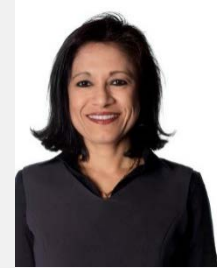
Saj-Nicole Joni
CEO
Cambridge International Group



Dana Anderson
Chief Transformation Officer
MediaLink



Rudina Seseri
Founder and Managing Partner
Glasswing Ventures



Bina Chaurasia
Chief People Officer
Tanium



Dinesh Lathi
Chairman of the Board of Directors
Tailored Brands



Shelly Palmer
Chief Executive Officer
The Palmer Group



Elle Todd
Partner and Head of Olswang's
Digital and Data



Karenann Terrell
Chief Digital & Technology Officer
GSK (ex Walmart CIO)



Consumer led, science based innovation

Richard Slater
SVP R&D, GSK Consumer Healthcare

Building a competitive advantage through consumer-led, science-based innovation



Innovation



Integrated category and R&D innovation hubs

Scientific and technical excellence

Novel packaging, sensorials and claims

Emerging markets and digital innovation

External innovation and partnerships

Integrated innovation hubs



Co-located commercial and R&D facilities in 6 key locations



New Jersey
- Rx/OTC Switch
- Regulatory/
Medical



London
- Oral Health
- Skin Health



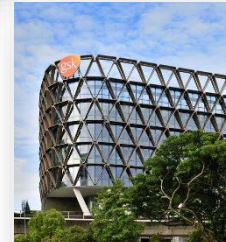
Switzerland
- Respiratory
- Pain Relief



China
- EM focus



India
- EM focus



Singapore
- Nutrition and
Digestive
Health

Scientific and technical excellence



new

SENSODYNE[®]
**RAPID
RELIEF**

**BEAT SENSITIVITY
PAIN FAST**[™]
*WITH TWICE DAILY BRUSHING

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CHUSOYH8PLUJ00017

SENSODYNE[®] RAPID RELIEF
TOOTH PASTE FOR SENSITIVE TEETH AND GUM TENDRITNESS
NET WT 5.4 OZ (96.4 g)

PROVEN PAIN RELIEF IN 3 DAYS

Scientific and technical excellence



More than 25 years Rx-to-OTC switch expertise
Nine >\$100m US switches



Novel packaging, sensorials and claims



Innovating for our emerging market consumers

A woman with short dark hair is wearing a pair of dark, futuristic AR glasses. She is standing in a brightly lit industrial or laboratory setting with various pieces of equipment and machinery in the background. The overall color palette is dominated by blues and greys, with a soft glow from the AR interface elements.

Digital Innovation

- Connected devices, platforms and business models
- Going beyond treatment

Accelerating our external innovation and partnerships



30 innovation partnerships signed YTD 2018

Embedded, co-located teams in our hubs



5-fold increase in external pipeline value

A key enabler of digital innovation

Delivering strong innovation

Sampling of key launches YTD 2018



>20 new 'first market' launches and >150 global project rollouts

Oral Health



Sensodyne
Rapid Relief



Parodontax
Complete Protection



Polident
Max Seal



Polident
Double Power



Polident Clean &
Refresh Wipes

Respiratory



Theraflu
Powerpods



Otrivin
Unblock & Heal

Digestive Health



Tums
Gas Relief

Pain Relief



Voltaren
No Mess Applicator

Nutrition



Horlicks
Protein



**GSK Consumer Healthcare
meeting everyday healthcare needs
and delivering shareholder value**

A winning strategy for growth and strong operating margin progression



Innovation

- Brilliant execution of launches
- Strong, differentiated pipeline of consumer-led, science-based innovation and claims

Performance

- Sustained above market growth
- Competitive cost structure, margin and cash flow.

Trust

- Reliable supply
- Improved reputation
- Highly engaged employees



5 year sales CAGR: low-to-mid single digit¹

Adjusted operating margin: Approaching mid 20% by 2022²

Q&A

